

## Message Text

LIMITED OFFICIAL USE

PAGE 01 THE HA 00112 080725Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03  
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02  
CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04  
CEA-01 PA-01 PRS-01 L-03 H-01 /086 W  
-----080727Z 112077 /22

R 071535Z JAN 77  
FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC 9675  
INFO AMEMBASSY BONN  
USMISSION EC BRUSSELS  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
USMISSION OECD PARIS

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E.O. 11652: N/A  
TAGS: EFIN, NL  
SUBJ: CENTRAL BANK CUTS RATE

REF: BRUSSELS 0115, THE HAGUE 0028

1. CLOSELY FOLLOWING BELGIAN NATIONAL BANK ACTION OF JANUARY 5, NETHERLANDS BANK HAS REDUCED ITS DISCOUNT RATE A FULL PERCENTAGE POINT TO 5 PERCENT EFFECTIVE JANUARY 7. ALTHOUGH MOVE HAD BEEN ANTICIPATED, TIMING AND EXTENT OF REDUCTION CAUSED SOME SURPRISE.

2. UPWARD PRESSURE ON GUILDER IN FOREIGN EXCHANGE MARKETS WAS PRIMARY REASON BEHND ADJUSTMENT. DOMESTIC CAPITAL MARKET CONDITIONS WERE NOT SUCH AS TO INDICATE A REDUCTION.  
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THIS CHANGE IS EITHTH IN LSS THAN ONE YEAR, NEARLY ALL OF WHICH WERE MADE FOR REASONS OF FOREIGN EXCHANGE POLICY.

3. ADJUSTMENT OF DISCOUNT RATE OPENS A SECOND FRONT IN CAMPAIGN AGAINST APPRECIATION OF GUILDER BEGUN WITH REOPENING OF DUTCH MARKET TO FOREITN BORROWERS LAST WEEK (REF. B.). GUILDER STRENGTH RESULTS FROM STRONG BOP SURPLUS AS WELL AS INTEREST RATE DIFFERENTIALS.

DUTCH POLICY MAKERS ARE CONCERNED THAT APPRECIATION OF GUILDER WILL  
HANDICAP EXPORT INDUSTRIES AND WEAKEN ECONOMIC RECOVERY.  
MCCLOSKEY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL BANK, POLICIES, DISCOUNT (EXCHANGE RATE)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 07-Jan-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977THEHA00112  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770008-0125  
**Format:** TEL  
**From:** THE HAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1977/newtext/t19770169/aaaacivt.tel  
**Line Count:** 68  
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**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** d77b30dc-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 BRUSSELS 115, 77 THE HAGUE 28  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 22-Nov-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3638904  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CENTRAL BANK CUTS RATE  
**TAGS:** EFIN, NL  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d77b30dc-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
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